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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of San Diego Gas & Electric Company (U 902 E) for a Certificate of Public Convenience and Necessity for the Silvergate Substation Project.

Application 05-03-024

**ADMINISTRATIVE LAW JUDGE'S RULING  
SETTING EVIDENTIARY HEARINGS**

This proceeding involves the proposal of San Diego Gas & Electric Company (SDG&E) to build a new Silvergate Substation, located on the site of the decommissioned Silvergate Power Plant, to replace the existing Main Street Substation. To ensure a clear and complete evidentiary record in this proceeding, evidentiary hearings are necessary on a limited range of issues.

**Need**

The record on the issue of the need for the new Silvergate Substation is not well developed, particularly its relationship to SDG&E's transmission system. While it is clear that the Silvergate Substation would provide greater capacity by replacing the smaller, older, and lower-voltage Main Street Substation, the need for this increased capacity (and how the increased capacity could be utilized), is not clear from the record. We need more information on how the new Silvergate Substation fits into SDG&E's transmission system (including the new Otay Mesa Power Purchase Agreement Transmission Project), and the purpose it is intended to serve. In addition, SDG&E should be prepared to explain why the Silvergate Substation was not made part of the Otay Mesa Project.

### **Air Versus Gas Insulation**

In its proponent's environmental assessment (PEA), SDG&E proposed to build a conventional Air-Insulated Substation (AIS), with an alternative of a Gas-Insulated Substation (GIS). The Environmental Impact Report (EIR), prepared under the direction of the staff of the Commission's Energy Division, found the GIS to be the environmentally-preferred alternative.

SDG&E continues to prefer the AIS approach, and was granted permission to submit additional information in support of an AIS. SDG&E argues that the GIS alternative is less environmentally preferred than found by the EIR, has a significantly higher cost, and will take longer to complete. We need to consider the issues raised by SDG&E relating to the cost, operational date, and environmental impact of the two alternative types of substations. Unfortunately, the record as it currently exists does not allow the Commission to adequately balance the costs and benefits of the two alternatives.

Accordingly, SDG&E should bring a witness or witnesses prepared to address the following issues:

- 1) An updated and more detailed comparison of the cost of construction between AIS and GIS, including land acquisition costs for AIS and construction costs for GIS;<sup>1</sup>
- 2) A comparison of the expected completion dates for each type of substation, and how those dates relate to the need for the project;
- 3) A comparison of the costs of operation and maintenance for each type of substation;

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<sup>1</sup> AIS cost estimates should be updated as necessary, and should include the cost of acquiring the PCE building; GIS costs were set forth in the previously-lodged Declaration of Kerry J. Lynch.

- 4) A comparison of decommissioning costs and service life for each type of substation;
- 5) A comparison of the relative levels of noise, safety, and security for each type of substation;
- 6) Whether it is necessary for a GIS substation to be enclosed, as proposed by SDG&E;
- 7) Whether an enclosed substation provides noise, safety, or security benefits; and
- 8) A more detailed comparison of the visual impacts of each type of substation, and possible mitigation measures.

#### **Main Street Substation**

According to the EIR, the Main Street Substation will be de-energized and the above-ground equipment (with the exception of the control shelter) will be dismantled and removed, and the below-ground structures and equipment will be abandoned in place. It would be helpful for the record to contain more detailed information about SDG&E's short and long-term plans for the Main Street site, along with more detailed information about the structures and equipment that will remain on the site.

#### **IT IS RULED that:**

1. Evidentiary hearings shall be held in this proceeding on August 2, 2006, beginning at 10 a.m. at the Commission Courtroom, 505 Van Ness Avenue, San Francisco, California.

2. At the evidentiary hearings, SDG&E shall present witnesses knowledgeable about the issues identified above.

Dated July 12, 2006, at San Francisco, California.

          /s/ PETER ALLEN            
Peter Allen  
Administrative Law Judge

### **INFORMATION REGARDING SERVICE**

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Dated July 12, 2006, at San Francisco, California.

/s/ TERESITA C. GALLARDO  
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**SERVICE LIST IN APPLICATION 05-03-024**

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